

11—40.4(8A) Duties of the agency. An agency seeking offset shall have the following duties regarding the department and debtors.

40.4(1) *Notification to the department.* An agency must provide a list of debtors to the department of administrative services. This list must be in a format and type prescribed by the department and include only information relevant to the identification of the person owing.

The director shall not process a claim under the provisions of Iowa Code Supplement section 8A.504 until notification is received from the state agency that the debt has been established through notice and opportunity to be heard. The agency shall provide along with each liability file a written statement to the director declaring that the debt has occurred.

40.4(2) *Change in status of debt.* A state agency that has provided a liability file to the department of administrative services must notify the department immediately of any change in the status of a debt to the state. This notification shall be made no later than 30 calendar days from the occurrence of the change. A change in status may come from payment of the debt, invalidation of the liability, alternate payment arrangements with the debtor, bankruptcy, or other factors.

40.4(3) *Semiannual certification of file.* Each agency that maintains a liability file shall be required to certify the file to the department semiannually. This certification shall be made in a manner prescribed by the director. Debtors not certified in the manner prescribed will be removed from the liability file.

40.4(4) *Notification to debtor.* An agency shall send notification to the debtor within ten calendar days from the date the agency was notified by the department of a potential offset. This notification shall include:

- a.* The agency's right to the payment in question.
- b.* The agency's right to recover the payment through the offset procedure.
- c.* The basis of the agency's case in regard to the debt.
- d.* The right of the debtor to request the split of the payment between parties when the payment in question is jointly owned or otherwise owned by two or more persons.
- e.* The debtor's right to appeal the offset and the procedure to follow in that appeal.
- f.* The name of the agency or division and a telephone number for the person owing to contact in the case of questions.

The department may require that a copy of this notice be sent to the department. Once the offset has been completed, the agency shall notify the debtor of the action taken along with the balance, if any, still due to the agency. It is the responsibility of the agency to make payment to the person owing the state any payment offset by the department to which the state is not entitled, in accordance with established procedures.